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EXTRAORDINARY

भाग II—खण्ड 2
PART II—Section 2

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं० 33]

नई दिल्ली शुक्रवार, अगस्त, 14, 1987/श्रावण 23, 1909

No. 33]

NEW DELHI, FRIDAY, AUGUST 14, 1987/SRAVANA 23, 1909

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन
के रूप में रखा जा सके ।

Separate paging is given to this Part in order that it may be filed
as a separate compilation

LOK SABHA

The following Bill was introduced in Lok Sabha on the 14th August, 1987:—

BILL NO. 73 OF 1987

A Bill to provide for the acquisition and transfer of the undertakings of the Brentford Electric (India) Limited, with a view to securing the proper management of such undertakings so as to subserve the interests of the general public by ensuring the continued manufacture and production of electrical equipments which are essential to the needs of the economy of the country and for matters connected therewith or incidental thereto.

65 of 1951.

WHEREAS the Brentford Electric (India) Limited had been engaged in the manufacture and production of articles mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951, namely, electrical equipments;

65 of 1951.

AND WHEREAS the management of the undertakings of the Brentford Electric (India) Limited was taken over by the Central Government under section 18AA of the Industries (Development and Regulation) Act, 1951;

AND WHEREAS it is necessary to acquire the undertakings of the Brentford Electric (India) Limited to ensure that the interests of the general public are served by the continuance, by the undertakings of the Company, of the manufacture and production of the aforesaid articles, which are essential to the needs of the economy of the country;

(1)

Be it enacted by Parliament in the Thirty-eighth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title
and com-
mence-
ment.

1. (1) This Act may be called the Brentford Electric (India) Limited (Acquisition and Transfer of Undertakings) Act, 1987.

(2) The provisions of sections 26 and 27 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 1st day of April, 1986.

Defini-
tions.

2. In this Act, unless the context otherwise requires,—

(a) “Andrew Yule” means the Andrew Yule and Company Limited, Calcutta, a company formed and registered under the Companies Act, 1956;

1 of 1956.

(b) “appointed day” means the 1st day of April, 1986;

(c) “Commissioner” means the Commissioner of Payments appointed under section 14;

(d) “Company” means the Brentford Electric (India) Limited, a company within the meaning of the Companies Act, 1956, and having its registered office at 8, Clive Row, Calcutta, in the State of West Bengal;

1 of 1956.

(e) “notification” means a notification published in the Official Gazette;

(f) “prescribed” means prescribed by rules made under this Act;

(g) “specified date”, in relation to any provision of this Act, means such date as the Central Government may, by notification, specify for the purposes of that provision and different dates may be specified for different provisions of this Act;

(h) words and expressions used herein and not defined but defined in the Companies Act, 1956, shall have the meanings respectively assigned to them in that Act.

1 of 1956.

CHAPTER II

ACQUISITION AND TRANSFER OF THE UNDERTAKINGS OF THE COMPANY

Transfer
to, and
vesting in,
the Cen-
tral Gov-
ernment
of the
undertak-
ings of the
Company.

3. On the appointed day, the undertakings of the Company, and the right, title and interest of the Company in relation to its undertakings, shall, by virtue of this Act, stand transferred to, and vest in, the Central Government.

General
effect of
vesting.

4. (1) The undertakings of the Company shall be deemed to include all assets, rights, lease-holds, powers, authorities and privileges, and all property, movable and immovable, including lands, buildings, work-

shops, stores, instruments, machinery and equipment, cash balances, cash on hand, cheques, demand drafts, reserve funds, investments, book debts, and all other rights and interests in, or arising out of, such property as were immediately before the appointed day in the ownership, possession, power or control of the Company, whether within or outside India, and all books of account, registers, records and all other documents of whatever nature relating thereto.

(2) All properties as aforesaid which have vested in the Central Government under section 3 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien and all other incumbrances affecting them, and any attachment, injunction, decree or order of any court, tribunal or other authority restricting the use of such properties in any manner shall be deemed to have been withdrawn.

(3) Every mortgagee of any property which has vested under this Act in the Central Government and every person holding any charge, lien or other interest in, or in relation to, any such property, shall give, within such time and in such manner as may be prescribed, an intimation to the Commissioner of such mortgage, charge, lien or other interest.

(4) For the removal of doubts, it is hereby declared that the mortgagee of any property referred to in sub-section (3) or any other person holding any charge, lien or other interest in, or in relation to, any such property shall be entitled to claim, in accordance with his rights and interests, payment of the mortgage money or other dues, in whole or in part, out of the amount specified in section 7 and also out of the amounts determined under section 8, but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Central Government.

(5) Any licence or other instrument granted to the Company in relation to any undertaking which has vested in the Central Government under section 3 at any time before the appointed day and in force immediately before that day shall continue to be in force on and after such day in accordance with its tenor in relation to and for the purposes of such undertaking, and on and from the date of vesting of such undertaking under section 6, in Andrew Yule, that company shall be deemed to be substituted in such licence or other instrument as if such licence or other instrument had been granted to Andrew Yule and that company shall hold it for the remainder of the period for which the Company would have held it under the terms thereof.

(6) If, on the appointed day, any suit, appeal or other proceeding of whatever nature in relation to any property which has vested in the Central Government under section 3, instituted or preferred by or against the Company is pending, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertakings of the Company or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted or enforced by or against the Central Government or where the undertakings of the Company are directed, under section 6, to vest in Andrew Yule, by or against Andrew Yule.

Company
to be
liable for
certain
prior li-
abilities.

5. (1) Every liability of the Company, other than the liabilities specified in sub-section (2), in respect of any period prior to the appointed day, shall be the liability of the Company and shall be enforceable against it and not against the Central Government, or, where the undertakings of the Company are directed, under section 6, to vest in Andrew Yule, against Andrew Yule.

(2) Any liability arising in respect of advances made to the Company for the supply of articles, or in respect of materials supplied to the Company, after the management of the undertakings of the Company had been taken over by the Central Government shall, on and from the appointed day, be the liability of the Central Government or of Andrew Yule, as the case may be, and shall be discharged by that Government or Andrew Yule, as and when payment for such advances or supplies becomes due and payable.

(3) For the removal of doubts, it is hereby declared that,—

(a) save as otherwise expressly provided in this section or in any other provision of this Act, no liability of the Company, in respect of any period prior to the appointed day, shall be enforceable against the Central Government, or where the undertakings of the Company are directed, under section 6, to vest in Andrew Yule, against Andrew Yule;

(b) no award, decree or order of any court, tribunal or other authority in relation to the undertakings of the Company, passed after the appointed day in respect of any matter, claim or dispute, which arose before that day, shall be enforceable against the Central Government or where the undertakings of the Company are directed, under section 6, to vest in Andrew Yule, against Andrew Yule;

(c) no liability incurred by the Company before the appointed day for the contravention of any provision of law for the time being in force shall be enforceable against the Central Government or where the undertakings of the Company are directed, under section 6, to vest in Andrew Yule, against Andrew Yule.

Power of
central
Govern-
ment to
direct
vesting of
the under-
takings
of the
Company
in Andrew
Yule.

6. (1) Notwithstanding anything contained in sections 3 and 4, the Central Government may, subject to such terms and conditions as it may think fit to impose, direct, by notification, that the undertakings of the Company, and the right, title and interest of the Company in relation to its undertakings, which have vested in the Central Government under section 3, shall, instead of continuing to vest in the Central Government, vest in Andrew Yule, either on the date of the notification or on such earlier or later date (not being a date earlier than the appointed day) as may be specified in the notification.

(2) Where the right, title and interest, and the liabilities referred to in sub-section (2) of section 5, of the Company in relation to its undertakings vest in Andrew Yule under sub-section (1), Andrew Yule shall, on and from the date of such vesting, be deemed to have become the owner in relation to such undertakings and all the rights and liabilities of the Central Government in relation to such undertakings shall, on and from the date of such vesting be deemed to have become the rights and liabilities, respectively, of Andrew Yule.

CHAPTER III

PAYMENT OF AMOUNTS

7. For the transfer to and vesting in, the Central Government, under section 3, of the undertakings of the Company, and the right, title and interest of the Company in relation to its undertakings, there shall be paid by the Central Government to the Company in cash, and in the manner specified in Chapter VI, an amount of rupees thirty-seven lakhs and fifty thousand.

Payment
of amount.

8. (1) For the deprivation of the Company of the management of its undertakings, there shall be paid by the Central Government to the Company in cash, an amount calculated at the rate of five thousand rupees per annum for the period commencing on the date on which the management of the undertakings of the Company was taken over in pursuance of the order made by the Central Government under section 18AA of the Industries (Development and Regulation) Act, 1951, and ending on the appointed day.

Payment
of further
amounts.

65 of 1951.

(2) In consideration of the retrospective operation of the provisions of section 3, 4 and 5, there shall also be paid by the Central Government to the Company in cash, an amount calculated at the rate of five thousand rupees per annum for the period commencing on the appointed day and ending on the date on which this Act receives the assent of the President.

(3) The amounts specified in section 7, and the amounts determined in accordance with the provisions of sub-sections (1) and (2), shall carry simple interest at the rate of four per cent. per annum for the period commencing on the appointed day and ending on the date on which payment of such amounts is made by the Central Government to the Commissioner.

(4) The amounts determined in accordance with the provisions of sub-sections (1), (2) and (3) shall be paid by the Central Government to the Company in addition to the amount specified in section 7.

(5) For the removal of doubts, it is hereby declared that the liabilities of the Company, in relation to its undertakings which have vested in the Central Government under section 3, shall be discharged from the amount referred to in section 7, and also from the amounts determined under sub-sections (1), (2) and (3), in accordance with the rights and interests of the creditors of the Company.

CHAPTER IV

MANAGEMENT, ETC., OF THE UNDERTAKINGS OF THE COMPANY

9. The general superintendence, direction, control and management of the affairs and business of the undertakings of the Company, the right, title and interest in relation to which have vested in the Central Government under section 3, shall, where a direction has been made by the Central Government under sub-section (1) of section 6, vest in Andrew Yule, and thereupon Andrew Yule shall be entitled to exercise, to the exclusion of all other persons, all such powers and do all such things as the Company was authorised to exercise and do in relation to its undertakings.

Manage-
ment, etc.,
of the
under-
takings of
the Com-
pany.

Duty of persons in charge of management of the undertakings of the Company to deliver all assets, etc.

10. (1) On the vesting of the management of the undertakings of the Company in Andrew Yule, all persons in charge of the management of the undertakings of the Company immediately before such vesting shall be bound to deliver to Andrew Yule all assets, books of account, registers or other documents in their custody relating to the undertakings of the Company.

(2) The Central Government may issue such directions as it may deem desirable in the circumstances of the case to Andrew Yule as to its powers and duties and Andrew Yule may also, if it so desires, apply to the Central Government at any time for instructions as to the manner in which the management of the undertakings of the Company shall be conducted by it or in relation to any other matter arising in the course of such management.

Duty of persons to account for assets, etc., in their possession.

11. (1) Any person who has, on the appointed day, in his possession or under his control, any assets, books, documents or other papers relating to any undertaking owned by the Company, which have vested in the Central Government or in Andrew Yule under this Act and which belong to the Company or would have so belonged, if the undertakings owned by the Company had not vested in the Central Government or Andrew Yule, shall be liable to account for the said assets, books, documents and other papers to the Central Government or Andrew Yule and shall deliver them to the Central Government or Andrew Yule or to such person or persons as the Central Government or Andrew Yule may specify in this behalf.

(2) The Central Government or Andrew Yule may take or cause to be taken all necessary steps for securing possession of the undertakings of the Company which have vested in the Central Government or Andrew Yule under this Act.

(3) The Company shall, within such period as the Central Government may allow in this behalf, furnish to that Government a complete inventory of all its properties and assets, as on the appointed day, pertaining to the undertakings which have vested in the Central Government under section 3 and for this purpose, the Central Government or Andrew Yule shall afford to the Company all reasonable facilities.

CHAPTER V

PROVISIONS RELATING TO THE EMPLOYEES OF THE COMPANY

Continuance of employees.

12. (1) Every person who has been, immediately before the appointed day, employed in any undertakings of the Company shall become,—

(a) on and from the appointed day, an employee of the Central Government, and

(b) where the undertakings of the Company are directed under sub-section (1) of section 8 to vest in Andrew Yule, an employee of Andrew Yule on and from the date of such vesting;

and shall hold office or service under the Central Government or Andrew Yule, as the case may be, with the rights and privileges as to pension, gratuity and other matters admissible to him immediately before the appointed day, as modified by the Memoranda of Settlement signed by the representatives of the management and the employees of the Company on the 28th day of January, 1986 and the 30th day of January, 1986, and shall continue to do so unless and until his employment under the

Central Government or Andrew Yule, as the case may be, is duly terminated or until his remuneration and other conditions of service are duly altered by the Central Government or Andrew Yule, as the case may be.

14 of 1947.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force, the transfer of the services of any officer or other person employed in any undertaking of the Company, to the Central Government or Andrew Yule shall not entitle such officer or other employee to claim any compensation under this Act or under any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

13. (1) Where the Company has established a provident fund, superannuation fund, welfare fund or any other fund for the benefit of the persons employed in any of its undertakings, the moneys relatable to the officers or other employees, whose services have become transferred by or under this Act to the Central Government or Andrew Yule shall, out of the moneys standing, on the appointed day, to the credit of such provident fund, superannuation fund, welfare fund or other fund, stand transferred to, and vest in, the Central Government or Andrew Yule, as the case may be.

Provi-
dent
fund and
other
funds.

(2) The moneys which stand transferred under sub-section (1) to the Central Government or Andrew Yule, as the case may be, shall be dealt with by that Government or Andrew Yule in such manner, as may be prescribed.

CHAPTER VI

COMMISSIONER OF PAYMENTS

14. (1) The Central Government shall, for the purpose of disbursing the amounts payable under sections 7 and 8 to the Company, by notification, appoint a Commissioner of Payments.

Appoint-
ment of
Commis-
sioner of
Pay-
ments.

(2) The Central Government may appoint such other persons as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such persons also to exercise all or and of the powers exercisable by him under this Act and different persons may be authorised to exercise different powers.

(3) Any person authorised by the Commissioner to exercise any of the powers exercisable by the Commissioner may exercise those powers in the same manner and with the same effect as if they have been conferred on that person directly by this Act and not by way of authorisation.

(4) The salaries and allowances of the Commissioner and other persons appointed under this section shall be defrayed out of the Consolidated Fund of India.

15. (1) The Central Government shall, within thirty days from the specified date, pay, in cash, to the Commissioner, for payment to the Company,—

Payment
by the
Central
Govern-
ment to
the Com-
mis-
sioner,

(a) an amount equal to the amount specified in section 7; and

(b) further amount equal to the amounts payable to the Company under section 8.

(2) A deposit account shall be opened by the Central Government in favour of the Commissioner in the Public Account of India, and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the said deposit account and the said deposit account shall be operated by the Commissioner.

(3) Records shall be maintained by the Commissioner in respect of the undertakings of the Company in relation to which payments have been made to him under this Act.

(4) Interest accruing on the amounts standing to the credit of the deposit account referred to in sub-section (2) shall ensure to the benefit of the Company.

Certain powers of the Central Government or Andrew Yule.

16. (1) The Central Government or Andrew Yule, as the case may be, shall be entitled to receive up to the specified date, to the exclusion of all other persons, any money due to the Company, in relation to its undertakings which have vested in the Central Government or Andrew Yule, and realised after the appointed day notwithstanding that the realisation pertains to a period prior to the appointed day.

(2) The Central Government or Andrew Yule, as the case may be, may make a claim to the Commissioner with regard to every payment made by that Government or Andrew Yule, after the appointed day, for discharging any liability of the Company, not being any liability specified in sub-section (2) of section 5, in relation to any period prior to the appointed day; and every such claim shall have priority in accordance with the priorities attaching, under this Act, to the matter in relation to which such liability has been discharged by the Central Government or Andrew Yule.

(3) Save as otherwise provided in this Act, the liabilities of the Company, in respect of any transaction prior to the appointed day, which have not been discharged on or before the specified date, shall be the liabilities of the Company.

Claims to be made to the Commissioner.

17. Every person having a claim against the Company with regard to any of the matters specified in the Schedule, pertaining to any of its undertakings, shall prefer such claim before the Commissioner within thirty days from the specified date:

Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim within the said period of thirty days, he may entertain the claim within a further period of thirty days, but not thereafter.

Priority of claims.

18. The claims made under section 17 shall have priorities in accordance with the following principles, namely:—

(a) Category I shall have precedence over all other categories and Category II shall have precedence over Category III, and so on;

(b) the claims specified in each of the categories shall rank equally and be paid in full, but, if the amount is insufficient to meet such claims in full, they shall abate in equal proportions and be paid accordingly; and

(c) the question of discharging any liability with regard to a matter specified in a lower category shall arise only if a surplus is

left after meeting all the liabilities specified in the immediately higher category.

19. (1) On receipt of the claims made under section 17, the Commissioner shall arrange the claims in the order of priorities specified in the Schedule and examine the same in accordance with such order of priorities.

Examina-
tion of
claims.

(2) If, on an examination of the claims, the Commissioner is of opinion that the amount paid to him under this Act is not sufficient to meet the liabilities specified in any lower category, he shall not be required to examine the claims in respect of such lower category.

20. (1) After examining the claims with reference to the priorities set out in the Schedule, the Commissioner shall fix a certain date on or before which every claimant shall file the proof of his claim.

Admis-
sion or
rejec-
tion of
claims.

(2) Not less than fourteen days' notice of the date so fixed shall be given by advertisement in one issue of any daily newspaper in the English language having circulation in the major part of the country and one issue of any daily newspaper in such regional language as the Commissioner may consider suitable, and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the period specified in the advertisement.

(3) Every claimant who fails to file the proof of his claim within the period specified by the Commissioner shall be excluded from the disbursements made by the Commissioner.

(4) The Commissioner shall, after such investigation as may, in his opinion, be necessary and after giving the Company an opportunity of refuting the claim and after giving the claimant a reasonable opportunity of being heard, by order in writing, admit or reject the claim in whole or in part.

(5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions, including the place or places at which he may hold his sittings and shall, for the purpose of making an investigation under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:—

5 of 1908.

(a) the summoning and enforcing the attendance of any witness and examining him on oath;

(b) the discovery and production of any document or other material object producible as evidence;

(c) the reception of evidence on affidavits;

(d) the issuing of any commission for the examination of witnesses.

(6) Any investigation before the Commissioner shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code and the Commissioner shall be deemed to be a civil court for the purposes of section 195, and Chapter XXVI, of the Code of Criminal Procedure, 1973.

45 of 1860.

2 of 1974.

(7) A claimant who is dissatisfied with the decision of the Commissioner, may prefer an appeal against such decision to the principal civil court of original jurisdiction within the local limits of whose jurisdiction the registered office of the Company is situated:

Provided that where a person who is a Judge of a High Court is appointed to be the Commissioner, the appeal shall lie to the High Court at Calcutta, and such appeal shall be heard and disposed of by not less than two Judges of that High Court.

Disbursement of money by the Commissioner to claimants.

21. After admitting a claim under this Act, the amount due in respect of such claim shall be paid by the Commissioner to the person or persons to whom such amount is due and on such payment, the liability of the Company in respect of such claim shall stand discharged.

Disbursement of amounts to the Company.

22. (1) If, out of the moneys paid to him in relation to the undertakings of the Company, there is a balance left after meeting the liabilities specified in the Schedule, the Commissioner shall disburse such balance to the Company.

(2) Where the possession of any machinery, equipment or other property has vested in the Central Government or Andrew Yule under this Act, but such machinery, equipment or other property does not belong to the Company, it shall be lawful for the Central Government or Andrew Yule, to continue to possess such machinery or equipment or other property on the same terms and conditions under which they were possessed by the Company immediately before the appointed day.

Undisbursed or unclaimed amount to be deposited to the general revenue account.

23. Any money paid to the Commissioner which remains undisbursed or unclaimed on the date immediately preceding the date on which the office of the Commissioner is finally wound up, shall be transferred by the Commissioner, before his office is finally wound up, to the general revenue account of the Central Government; but a claim to any money so transferred may be preferred to the Central Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made, and the order, if any, for payment of the claim, being treated as an order for the refund of revenue.

CHAPTER VII

MISCELLANEOUS

Act to have overriding effect.

24. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law, other than this Act, or in any decree or order of any court, tribunal or other authority.

Contracts to cease to have effect unless ratified

25. Every contract entered into by the Company in relation to its undertakings which has vested in the Central Government under section 3, for any service, sale or supply and in force immediately before the appointed day, shall, on and from the expiry of a period of one hundred and eighty days from the date on which this Act receives the assent of the President, cease to have effect unless such contract is, before the

expiry of that period, ratified, in writing, by the Central Government or Andrew Yule in which such undertakings have been vested under this Act, and in ratifying such contract, the Central Government or Andrew Yule may make such alteration or modification therein as it may think fit:

by the
Central
Govern-
ment or
Andrew
Yule.

Provided that the Central Government or Andrew Yule shall not omit to ratify a contract and shall not make any alteration or modification in a contract—

(a) unless it is satisfied that such contract is unduly onerous or has been entered into in bad faith or is detrimental to the interests of the Central Government or Andrew Yule, and

(b) except after giving to the parties to the contract a reasonable opportunity of being heard and except after recording in writing its reasons for refusal to ratify the contract or for making any alteration or modification therein.

26. Any person who,—

Penal-
ties.

(a) having in his possession, custody or control any property forming part of the undertakings of the Company, wrongfully withholds such property from the Central Government or Andrew Yule; or

(b) wrongfully obtains possession of, or retains, any property forming part of the undertakings of the Company; or

(c) wilfully withholds or fails to furnish to the Central Government or Andrew Yule or any person or body of persons specified by that Government or Andrew Yule, as the case may be, any document relating to the undertakings, which may be in his possession, custody or control; or

(d) fails to deliver to the Central Government or Andrew Yule or any person or body of persons specified by that Government or Andrew Yule, as the case may be, any assets, books of account, registers or other documents in his possession, custody or control relating to the undertakings of the Company; or

(e) wrongfully removes or destroys any property forming part of the undertakings of the Company or prefers any claim under this Act which he knows or has reasonable cause to believe to be false or grossly inaccurate,

shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to ten thousand rupees, or with both.

27. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company, for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Offences
by com-
panies.

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was

committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

Protec-
tion of
action
taken
in good
faith.

28. (1) No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer of that Government or Andrew Yule or other person authorised by that Government or Andrew Yule for anything which is in good faith done or intended to be done under this Act.

(2) No suit or other legal proceeding shall lie against the Central Government or any officer of that Government or Andrew Yule or other person authorised by that Government or Andrew Yule for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Act.

Delega-
tion of
powers.

29. (1) The Central Government may, by notification, direct that all or any of the powers exercisable by it under this Act, other than the powers conferred by this section and sections 30 and 31, may also be exercised by such person or persons as may be specified in the notification.

(2) Whenever any delegation of power is made under sub-section (1), the person to whom such power has been delegated shall act under the direction, control and supervision of the Central Government.

Power to
make
rules.

30. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the time within which, and the manner in which, an intimation referred to in sub-section (3) of section 4 shall be given;

(b) the manner in which the moneys in any provident fund or other fund, referred to in section 13 shall be dealt with;

(c) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

31. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Power to
remove
difficul-
ties.

Provided that no such order shall be made after the expiry of a period of two years from the date on which this Act receives the assent of the President.

THE SCHEDULE

[See sections 17, 19(1), 20(1) and 22(1)]

ORDER OF PRIORITIES

Post-take-over management period

Category I—

(a) Wages, salaries and other dues payable to the employees of the Company.

(b) Deductions made from the salaries and wages of the employees of the Company for the provident fund, the Employees' State Insurance Fund, premium relating to the Life Insurance Corporation of India or for any other purpose.

Category II—

Principal amount of loans advanced by—

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and financial institutions;
- (iv) any other source.

Category III—

(a) Arrears in relation to contributions to be made by the Company to provident fund, the Employees' State Insurance Fund or under any other law for the time being in force providing for such contributions.

(b) Any credits availed of by the Company for the purpose of carrying on any trading or manufacturing operations, other than those specified in sub-section (2) of section 5.

(c) Any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services, other than those specified in sub-section (2) of section 5.

(d) Arrears of interest on loans and advances.

Category IV—

(a) Revenue, taxes, cesses, rates or other dues to the Central Government, a State Government or any local authority.

(b) Any other dues.

Pre-take-over management period

Category V—

(a) Wages, salaries and other dues payable to the employees of the Company.

(b) Deductions made from the salaries and wages of the employees of the Company for provident fund, the Employees' State Insurance Fund, premium relating to the Life Insurance Corporation of India or for any other purpose.

Category VI—

(a) Principal amount of secured loans advanced by—

(i) the Central Government;

(ii) a State Government;

(iii) banks and financial institutions.

(b) Arrears in relation to contributions to be made by the Company to provident fund, the Employees' State Insurance Fund or under any other law for the time being in force providing for such contributions.

Category VII—

Principal amount of unsecured loans advanced by—

(i) the Central Government;

(ii) a State Government;

(iii) banks and financial institutions.

Category VIII—

(a) Any credit availed of by the Company for the purpose of carrying on any trading or manufacturing operations. .

(b) Any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services.

(c) Arrears of interest on loans and advances.

(d) Revenue, taxes, cesses, rates or other dues to Central Government, a State Government or any local authority.

(e) Any other loans or dues.

STATEMENT OF OBJECTS AND REASONS

The Brentford Electric (India) Limited, Calcutta, (BEIL), established in 1964, has been in existence for about 23 years and has been engaged in the manufacture of regulators of up to 5000 KVA, rectifiers, special transformers, distribution transformers, etc. The products of the company are of high quality and are required for defence establishments, State Electricity Boards and atomic energy establishments. The company is at present employing about 200 persons.

2. BEIL started incurring losses from 1975 and ran into serious financial difficulties in 1976. The management of the company was taken over by the Central Government under section 18AA of the Industries (Development and Regulation) Act, 1961 and Andrew Yule and Company Limited, a Government company, was appointed as the 'authorised person' for managing its affairs. The period of take over of the management of BEIL was extended from time to time and is presently stands extended up to the 25th November, 1987. At the time of take over, the accumulated losses of BEIL were Rs. 90.37 lakhs and its liabilities to third parties aggregated to Rs. 87.33 lakhs. However, the sales turnover of the company has improved considerably in the post-take-over period and it has been able to turn the corner by 1979-80, thus establishing that its operations are technically and commercially viable. During the years 1979-80, 1980-81, 1981-82 and 1985-86, the company earned profits. During the years 1982-83 and 1984-85, the undertaking incurred losses mainly due to labour problems and lock-out.

3. Considering the fact that the company had heavy losses on the date of take over, it is evident that it would never be able to service its old liabilities, though its current operations, without the drag of the pre-take-over liabilities, are viable. The company cannot at the same time be run for an indefinite period under the provisions of the Industries (Development and Regulation) Act, 1951.

4. Studies made to determine the future set up of the Company revealed that the undertakings of the company should be nationalised in order to consolidate the gains of management and to ensure uninterrupted supply of critical items required by defence establishments, etc. In view of the importance and high demand of the products manufactured by the company and the loss of employment to about 200 persons, if the company were to be closed down, it is considered necessary to take over the undertakings of the company.

5. The Bill seeks to achieve the aforesaid object. Apart from providing for the acquisition and transfer of the undertakings of the company, the Bill provides for the payment of an amount for such acquisition, vesting of the undertakings of the company in the Andrew Yule, a Government company, appointment of a Commissioner of Payments for the purpose of disbursing the amount payable to the company and for other incidental and consequential matters.

NEW DELHI;

J. VENGAL RAO.

The 25th July, 1987.

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for the transfer to, and vesting in, the Central Government of the undertakings of Brentford Electric (India) Ltd., Calcutta. Clause 7 provides for the payment in cash and in the manner specified in Chapter VI of the Bill, of an amount of Rs. 37,50,000 for the transfer to, and vesting in the Central Government, the right, title and interest of the company in relation to its undertakings.

2. Sub-clause (1) of clause 8 of the Bill provides for payment of a further amount in cash, in consideration of the deprivation of the company of the management of its undertakings, calculated at the rate of rupees five thousand per annum, for the period commencing on the date on which the management of the undertakings of the company was taken over by the Central Government and ending on the 1st April, 1986, the appointed day. It is estimated that this amount will be of the order of Rs 35,000.

3. Sub-clause (2) of clause 8 of the Bill provides for payment of a further amount to the company in cash, in consideration of the retrospective operation of the provisions of clauses 3, 4 and 5, calculated at the rate of rupees five thousand per annum, for the period commencing on the appointed day and ending on the date on which the Bill receives the assent of the President. It is estimated that this amount will be of the order of Rs. 5,000.

4. Sub-clause (3) of clause 8 of the Bill provides for payment of simple interest at the rate of four cent. per annum in respect of amounts payable under clause 7 and sub-clauses (1) and (2) of clause 8 for the period commencing on the appointed day and ending on the date on which payment of such amounts is made by the Central Government to the Commissioner of Payments. It is estimated that this amount is likely to be of the order of Rs 13,000 per month.

5. Clause 14 of the Bill provides for the appointment of a Commissioner of Payments by the Central Government with adequate staff to assist him for the purpose of disbursing the amounts payable to the company. Sub-clause (4) of this clause provides that the salaries and allowances of the Commissioner of Payments and the other persons to assist him will be defrayed out of the Consolidated Fund of India. The estimated expenditure on this account is likely to be of the order of Rs. 10,000 per month.

6. Separate budgetary provision will be made for protecting the secured pre-take-over dues and post-take-over dues of banks and financial institutions and the post-take-over dues of the Andrew Yule, to the tune of approximately Rs. 76 lakhs and which cannot be met by the compensation amount.

7. The Bill if enacted, is not likely to involve any other recurring or non-recurring expenditure.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 30 of the Bill empowers the Central Government to make rules to carry out the provisions of the Bill. The matters in respect of which rules may be made, *inter alia*, relate to the time within which, and the manner in which, intimation regarding any mortgage, charge, lien, etc., on the properties which have vested in the Central Government may be given to the Commissioner of Payments and the manner in which the moneys in any provident fund, superannuation, welfare or other fund maintained by the company shall be dealt with by the Central Government or the Andrew Yule and Company.

2. The matters in respect of which rules may be made are matters of procedure and administrative detail. The delegation of legislative power is thus of a normal character.

SUBHASH C. KASHYAP,
Secretary-General.

